

An Overview of Knox County's 2008 Annual Trending February, 2009

The following steps were taken to conduct the 2008 annual trending in Knox County:

Step 1: Calculation of New Land Values

New land values were calculated county wide using a combination of last year's values and 2006 and 2007 sales. Residential land values saw a small adjustment, but the overall assessment value of residential properties was updated due to the market adjustment factor. Commercial and industrial land values saw some adjustments from last year's rates.

For statistical analysis of the unimproved residential classes, the following townships were combined together due to lack of sales information. All of these townships are rural in nature thus they were grouped together. The 7 townships that were grouped together were; Busseron (0 sales), Decker (0 sales), Johnson (0 sales), Steen (0 sales), Vigo (9 sales), Washington (2 sales) and Widner (2 sales).

For statistical analysis of the unimproved commercial and industrial classes, all townships and both classes were grouped together due to only 6 sales (county wide) in the commercial class and zero sales (county wide in the industrial class). Only the townships of Vigo and Vincennes have greater than 25 unimproved commercial properties. Vincennes is the only township in the county that has greater than 25 unimproved industrial properties.

Step 2: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential properties at the township level. It was the direction of the county to implement changes, despite insignificant changes in some areas. Within Vincennes Township, the two predominant neighborhoods 220501 and 220541 were completely re-assessed. The re-assessment of these two neighborhoods accounted for approximately 3350 parcels. Within each of these two neighborhoods all of the residential properties were delineated into one of three market areas based upon the quality and condition of the properties. A market adjustment factor was calculated for each of the three market areas (good, average, and poor). All three market areas remain in their originally designated neighborhoods and land rates are constant between all three market areas. The delineation of these two neighborhoods into three market areas was conducted to ensure fair and equitable assessments between properties based upon the quality and conditions of the properties.

All market factors county wide were reviewed and adjusted when necessary. The township of Decker was compared to Johnson Township due to only 2 improved residential sales in the township. Decker Township has only 87 improved residential properties.

Step 3: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2206 to 2007. The Nexus Group Construction Cost Index (NCCI™) was used to update these cost tables. These detailed construction cost models have been constructed by

Nexus Group and applied uniformly by property class based upon specific usage, wall type and other characteristics.

Due to the lack of sales information and the limited number of parcels within the townships, both commercial and industrial classes were grouped together county wide with the exception of Vincennes Township for statistical analysis. Within Vincennes Township, Commercial and Industrial classes were grouped together for statistical analysis. There were only a total of 3 industrial sales county wide (Vincennes 2 sales) and (Washington 1 sale). Only the township of Vincennes has greater than 25 improved industrial properties.

Step 4: New Neighborhood Codes

Knox County changed their software system during the year, which resulted in the creation of some newly assigned neighborhood codes. The previous software system allowed for parcels from various taxing districts to be assigned to the same neighborhood code. The newly implemented software system requires that all parcels assigned to a neighborhood code must be within the same taxing district. For those neighborhoods that cross-over into more than one taxing district, an analysis and comparison was conducted ensuring that similar properties remained compared to each other as in prior assessments.